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10/598,735	07/31/2007	John J. Giobbi	10001-02093	9606
89194	7590	03/04/2011	EXAMINER	
Patent Law Works/Proxense 165 South Main St Salt Lake City, UT 84111			KIM, STEVEN S	
			ART UNIT	PAPER NUMBER
			3685	
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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## Office Action Summary

Application No.

10/598,735

Applicant(s)

GIOBBI, JOHN J.

Examiner

STEVEN KIM

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 23 December 2010.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1 and 3-15 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1 and 3-15 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

**DETAILED ACTION**

1. This office action is in response to the Applicant's communication on 12/23/2010.

***Restriction/Election Acknowledgement***

2. The Applicant's election on claims 1 and 3-15 *without traverse* in the reply on 12/23/2010 is acknowledged.

***Claim Status***

3. Claims 1, 3-5, 8-13, and 15-18 have been amended since the office action dated 6/23/2010 ("OA0610").
4. Claims 19 and 20 have been newly added.
5. Claims 2 and 16-20 have been canceled.
6. Claims 1 and 3-15 are pending.

***Response to Arguments***

7. Applicant's arguments have been considered but are moot in view of the new ground(s) of rejection.

***Claim Objections***

8. Claims 1 and 3-15 are objected to because of the following informalities: It appears that “and” is missing between the recited components, e.g. tangible personal digital key and a device (see independent claim 1).
9. Appropriate correction is required.
10. Claim 6 objected to under 37 CFR 1.75(c), as being of improper dependent form for failing to further limit the subject matter of a previous claim. Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s) in proper dependent form, or rewrite the claim(s) in independent form. Claim 1 clearly recites that the personal digital key is a tangible form, e.g. “tangible personal digital key”.

***Claim Rejections - 35 USC § 112, 1<sup>st</sup> Paragraph***

11. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.
12. Claims 1 and 3-15 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

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13. Independent claim 1 has been amended to recite “the device receiving data from the provider and authenticating the data received from the personal digital key”. The Applicant alleges that the support for the amendments is found at page 11, lines 7-22 and at page 9, lines 7-16 (see page 11, lines 3-11 in Argument 9/22/2010). Examiner respectfully disagrees. For example, page 11 lines 7-22 in the instant specification reads:

Specifically, the user's computer may be outfitted with a detector that detects the activation code in the user's physical key and then relays the activation code to the content provider via the web site. The content provider may be affiliated  
10 with the key provider or may be separate from the key provider but have an arrangement therewith.

Fifth, the content provider requests the key provider to verify the activation code transmitted by the user (step 18). The content provider may send this request to the key provider's web site. Sixth, the key provider in turn  
15 accesses the user's account in the user account database and determines whether the activation code is in fact valid (step 20). The key provider may also determine whether the activation code is associated with the user that transmitted the activation code to the content provider. If the activation code is rejected as being invalid, the content provider is so informed and the content provider in  
20 turn will not honor any request by the user to purchase digital content. If, however, the activation code is accepted as being valid, the content provider is so informed and the purchase transaction proceeds. As used herein, the term

Furthermore, page 9, lines 7-16 reads:

- within the vicinity of RDC. The RDC reads the user's PDK key and transmits data, along with the user's account number, acquired using conventional techniques, to the provider for verification. If more than one
- 10 PDK key is read at RDC, either data from all PDK keys is transmitted to the provider or User Labels are displayed on a computer screen to enable the user to select the appropriate PDK key. The provider looks up the account record in its database using the transmitted account number and compares the transmitted PDK key data to information stored in the record. If a match is
- 15 confirmed, the transaction/session is completed normally. If not confirmed, the transaction/session cannot be completed.

Examiner finds that the two referenced sections do not disclose newly added claim language that recite "*the device* receiving data from the provider and *authenticating the data received from the personal digital key*" (emphasis added). Examiner also was not able to find the recited element in the written disclosure. Claims 3-15 are rejected similarly as each depends on claim 1.

14. As per claim 5, the claim recites "further comprising a second personal digital key wherein the second digital key also authenticates a user attempting to access the device". This is not disclosed in the original written disclosure.

***Claim Rejections - 35 USC § 112, 2<sup>nd</sup> Paragraph***

15. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

16. Claims 1 and 3-15 rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

17. Per claim 1, the claim is directed to a system, e.g. tangible personal digital key and a device. The claim, however, is also directed toward method steps, e.g. receiving and authenticating. It has been held that a claim that recites both an apparatus and a method for using said apparatus is indefinite under section 112, paragraph 2, as such a claim is not sufficiently precise to provide competitors with an accurate determination of the 'metes and bounds' of protection involved (*IPXL Holdings LLC v. Amazon.com Inc.*, 77 USPQ2d 1140 (CA FC 2005); *Ex parte Lyell*, 17 USPQ2d 1548 (B.P.A.I. 1990)).

Claims 3-15 are rejected similarly as each depends on claim 1. Claim 15 recites "wherein data transmitted by the personal digital key to the reader is authenticated by personal digital key data stored in the database" which represents process.

18. As per claim 3, the scope of the claim is unclear due to unclear claim language. Specifically, the claim recites "wherein the device comprises a computer with a computer hard drive and the reader/decoder circuit is located in the computer hard drive". For example, the recited and suggest element that is part of recited "comprises". Applicant is advised to amend the claim to read "wherein the device comprises a computer with a computer hard drive and *wherein* the reader/decoder circuit is located in the computer hard drive" (emphasis added). An essential purpose of patent

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examination is to fashion claims that are precise, clear, correct, and unambiguous. Only in this way can uncertainties of claim scope be removed. See *In re Zletz*, 13 USPQ2d 1320 (Fed. Cir. 1989). Claim 4 construction is similar to claim 3 and is rejected similarly.

19. As per claim 7, the scope of the claim is unclear. Claim 7 recites "wherein the reader/decoder circuit is integrated with the computer". Claim 3, however, recites "wherein the device comprises a computer with a computer hard drive and the reader/decoder circuit is located in the computer hard drive". Claim 3 suggests that the reader/decoder circuit is part of the computer hard drive, one of components includes computer. In other words, claim 3 already suggests that the reader/decoder circuit is integrated with the computer (*In re Zletz*, 13 USPQ2d 1320 (Fed. Cir. 1989)).

20. Similarly, the scope of the claim 8 is unclear. Per MPEP 2111.01 IV, Applicant may be own lexicographer. In the written disclosure, PDK-hard drive is defined as:

A "PDK-hard drive" refers to a physical or "electronic" hard drive containing an integrated RDC.

Claim 3, however, recites "'wherein the device comprises a computer with a computer hard drive and the reader/decoder circuit is located in the computer hard drive". In other words, claim 3 already suggests that the hard drive is PDK-hard drive. Hence, the scope of the claim is unclear. See *In re Zletz*, 13 USPQ2d 1320 (Fed. Cir. 1989).

21. Per claim 13, the scope of the claim is unclear due to unclear claim language. Specifically, the claim recites "wherein the provider authenticates the data received from



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the personal key data transmitted by the personal digital key to the computer is authenticated by personal digital key data stored in the database". The clause contain idiomatic errors, hence one of ordinary skill in the art would not be able to ascertain the metes and boundary of the invention. Examiner will interpret as wherein the provider authenticates the data received from the personal key.

22. Furthermore, the scope of the claim does not commensurate with the parent claims. For example, claim 1 is directed to a tangible personal digital key and a device. Claim 3 is further directed to the device, e.g. component of the device. Claim 13, however, is directed to provider which represent element outside of the claimed structure.

### ***Claim Rejections - 35 USC § 103***

23. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

24. Claims 1, 5, and 6 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent Application No. 2002/0004783 ("Paltenghe") in view of US Patent No. 2003/0195842 ("Reece").

25. Per claims 1 and 6, Paltenghe discloses a system comprising:

- a tangible personal digital key (see ¶¶0014-¶¶0015, virtual wallet “contained in special hardware” for “payment mechanisms; identity authentication mechanisms; personal information; and electronic artifacts”; ¶¶0046; ¶¶0050; ¶¶0051; ¶¶0060);
- a device coupled to the personal digital key, the device that receives data from the personal digital key and transmits data received from the tangible personal digital key to a provider, the device receiving data from the provider and authenticating the data received from the personal digital key (see Fig. 2, “16” interface device; ¶¶0017, certificates, access keys and biometric information; ¶¶0019; ¶¶0045; ¶¶0046; ¶¶0052, UI for “interacting”; “communicating”; “public encryption”; ¶¶0054; ¶¶0058, protocols including SET, Visa Cash, Mondex, OPS; ¶¶0073; ¶¶0100).

26. Paltenghe does not specifically disclose that the wallet, e.g. smart card, includes a first wireless transceiver and the device includes a second wireless transceiver, e.g. reader/decoder circuit for receiving data from the wallet, the device and the wallet coupled to each other via a wireless network. Reece, however, discloses a smart card that includes a wireless transceiver and the device that includes a second wireless transceiver, e.g. reader/decoder circuit for receiving data from the smart card, the device and the wallet coupled to each other via a wireless network wherein the wireless network is a secure radio frequency (RF) link between the computer and the personal digital key (see ¶¶0056; ¶¶0079, “contact-less smart cards”; ¶¶0082; ¶¶0283). Hence, it would have been obvious to one of ordinary skill in the art, e.g. one of ordinary skill in

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the art of computer and communications, to use various communication techniques, including a wireless communication which yields predictable results. "The claimed improvement is no more than simple substitution of one known element for another, or mere application of known technique to piece of prior art ready for improvement" - *Ex parte Smith*, 83 USPQ2d 1509 (Bd. Pat. App. & Int. 2007).

27. As per claim 5, Paltenghe in view of Reece does not specifically disclose a second personal digital key wherein the second digital key also authenticates a user attempting to access the device. However, as Paltenghe discloses a personal digital key used to authenticate a user as described above, Paltenghe is sufficient in terms of art since mere duplication of parts has no patentable significance unless new and unexpected result is produced (see *In re Harza*, 124 USPQ 378 (CCPA 1960)).

28. Claims 3, 4, and 7-15 are rejected under 35 U.S.C. 103(a) as being unpatentable over "Paltenghe" and "Reece" as applied to claim 1 above, and further in view of US Patent Application No. 2001/0027439 ("Holtzman").

29. As per claims 3 and 8, Holtzman discloses a computer with hard drive (see ¶0033; ¶0046). In reference to "the reader/decoder circuit is located in the computer hard drive", the combined prior art do not specifically disclose that the reader/decoder circuit is located in the computer hard drive. However, the location of the read/decoder

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circuit represents rearrangement of parts. See *In re Kuhle*, 526 F.2d 553, 188 USPQ 7 (CCPA 1975) (the particular placement of a contact in a conductivity measuring device was held to be an obvious matter of design choice).

30. As per claims 4 and 14, Paltenghe and Reece are silent as to wherein the device comprises a swipe unit. Holtzman, however, discloses a device that includes a swipe unit (Fig. 1; ¶0033; ¶0038). Hence, it would have been obvious to one of ordinary skill in the art at the time of the invention to include the swipe unit to Paltenghe for allowing transactions using traditional credit card.

31. Paltenghe further discloses the computer transmits and receives data from the provider through an Internet connection (see ¶0100-¶0101).

32. In reference to “the reader/decoder circuit is located in the swipe unit”, the combined prior art do not specifically disclose that the reader/decoder circuit is located in the swipe unit. However, the location of the read/decoder circuit represents rearrangement of parts. See *In re Kuhle*, 526 F.2d 553, 188 USPQ 7 (CCPA 1975) (the particular placement of a contact in a conductivity measuring device was held to be an obvious matter of design choice).

33. As per claim 7, Reece also teaches wherein the reader/decoder circuit is integrated with the computer (see ¶0088-¶0092).

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34. As per claim 9, Holtzman discloses wherein the device comprises a computer including a hard drive (see ¶0033; ¶0046). Reece further discloses wherein the reader/decoder circuit comprises a circuit board (see ¶0081; ¶0089). In reference to a circuit board coupled to the hard drive, the location of the read/decoder circuit represents rearrangement of parts. See *In re Kuhle*, 526 F.2d 553, 188 USPQ 7 (CCPA 1975) (the particular placement of a contact in a conductivity measuring device was held to be an obvious matter of design choice).

35. As per claim 11, Paltenghe further teaches wherein the computer transmits and receives data from the provider through an Internet connection (see ¶0100-¶0101).

36. As per claim 12, Paltenghe further teaches wherein the provider includes a database, wherein the database includes an account identifier and a personal digital key identifier (see ¶0047; ¶0053; ¶0064; ¶0064; ¶0066). Furthermore, "account identifier and a personal digital key identifier" is non-functional descriptive material that do not move to distinguish over prior art (*In re Gulack*, 217 USPQ 401 (Fed. Cir. 1983), *In re Ngai*, 70 USPQ2d (Fed. Cir. 2004), *In re Lowry*, 32 USPQ2d 1031 (Fed. Cir. 1994); MPEP 2106.01 II).

37. As per claim 13, Paltenghe further teaches wherein the provider authenticates the data received from the personal key data transmitted by the personal digital key to

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the computer is authenticated by personal digital key data stored in the database (see ¶0052; ¶0054, ¶0064; ¶0077-¶0080).

38. As per claim 15, Paltenghe further teaches wherein data transmitted by the personal digital key to the reader is authenticated by personal digital key data stored in the database (see ¶0051; ¶0052; ¶0054, ¶0064; ¶0077-¶0080).

39. Claims 1 and 3-15 are understood to be apparatus claims. As such, they are subject to interpretation as outlined by MPEP § 2114, wherein it says, "While features of an apparatus may be recited either structurally or functionally, claims directed to an apparatus must be distinguished from the prior art in terms of structure rather than function" and "[A]pparatus claims cover what a device is, not what a device does." The functional recitations, e.g. transceiver that receives data, circuit that transmits data, etc., have been considered but are given little patentable weight because they fail to add any structural limitations and are thereby regarded as intended use language. To be especially clear, all limitations have been considered. However, a recitation of the intended use of the claimed product must result in a structural difference between the claimed product and the prior art in order to patentably distinguish the claimed product from the prior art. If the prior art structure is capable of performing the intended use, then it reads on the claimed limitation. *In re Casey*, 370 F.2d 576, 152 USPQ 235

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(CCPA 1967) ("The manner or method in which such a machine is to be utilized is not germane to the issue of patentability of the machine itself."); *In re Otto*, 136 USPQ 458, 459 (CCPA 1963). See also MPEP §§ 31.06 II (C.), 2114 and 2115.

### ***Conclusion***

40. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

41. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

42. Any inquiry concerning this communication or earlier communications from the examiner should be directed to STEVEN KIM whose telephone number is (571)270-

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5287. The examiner can normally be reached on Monday - Thursday (7:30AM - 5:00PM).

43. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Calvin Hewitt can be reached on (571)272-6709. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

44. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/S. K./  
Examiner, Art Unit 3685

/Calvin L Hewitt II/  
Supervisory Patent Examiner, Art Unit 3685